UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

LAURENCE A. FISHEL, Plaintiff,	)	No. 1:15-cv-50
-v-	)	HONORABLE PAUL L. MALONEY
MICHIGAN STATE UNIVERSITY, ET AL., Defendants.	)	

OPINION AND ORDER GRANTING DEFENDANTS' MOTION TO DISMISS

Taken as true, failing to be credited for research resulting in two patents, and then not being named on those patents, would frustrate even the most forgiving person. Plaintiff Laurence Fishel finds himself in such a situation, and has filed a one-count lawsuit seeking to add his name to two patents as a co-inventor. Congress recognized the importance of listing correct inventors on patents and enacted a statute that provides the simple remedy that Fishel seeks. *See* 35 U.S.C. § 256. However, because Fishel has not alleged that he has suffered any "concrete" injury necessary for constitutional standing, his suit must be dismissed.[1]

I. BACKGROUND[2]

From 1989 to 1993, Dr. Laurence Fishel performed work for Dr. Barnett Rosenberg and the Barros Research Institute at Michigan State University. (*See* ECF Nos. 34 at PageID.191, 37 at PageID.220.) Dr. Fishel "successfully narrowed the search for specific anti-cancer substances to less than three proteins" from "the small intestine protein pool." (*Id.*)[3]

However, "[w]ithout a laboratory, and bound by a confidentiality agreement, Dr. Fishel was unable successfully to continue his work after his departure from Barros in identifying the

[1] The Court originally scheduled oral argument for this motion, but ultimately deemed it unnecessary.
[2] For purposes of a motion under Fed. R. Civ. P. 12(b), the Court accepts as true all allegations in the Complaint.
[3] "The hope was to use . . . proteins to kill cancers in other parts of the human body." (*Id.*)

active anti-cancer agent in the small intestine protein pool." (*Id.*) According to Dr. Fishel, "Dr. Rosenberg and others at Barros Research Institute tried for many years conclusively to identify the active protein but did not appear to know or understand well the science for doing so." (*Id.*)

"Dr. Rosenberg and the others nonetheless filed for patent protection on the use of any of the protein isolates that were identified as possible anti-cancer agents, and have been awarded the US patents in suit and possibly others in foreign countries." (*Id.* at PageID.192.) "Dr. Fishel was not named as a co-inventor although the anti-cancer treatments disclosed and claimed could not have been conceived of or used without his prior work, which had remained confidential within Barros and MSU"; and he "personally conceived of one or more elements of one or more claims of each of the two patents in suit and disclosed same [sic] to some of the named inventors of the patents in suit, enabling them to obtain those patents without any fraudulent intent on Dr. Fishel's part." (*Id.*)

Dr. Fishel thus seeks an order "to correct the inventorship of each of [the] two U.S. Patents . . . by recognizing and including Dr. Fishel's contribution and status as a co-inventor with those named." (ECF No. 34 at PageID.189.)

II. LEGAL FRAMEWORK[4]

"The Constitution confers limited authority on each branch of the Federal Government." *Spokeo, Inc. v. Robins*, 136 S. Ct. 1540, 1546–47 (2016).

"Although the Constitution does not fully explain what is meant by '[t]he judicial Power of the United States,' Art. III, § 1, it does specify that this power extends only to 'Cases' and 'Controversies,' Art. III, § 2. And '[n]o principle is more fundamental to the judiciary's proper

[4] While this motion was presented on the whole as one under Fed. R. Civ. P. 12(b)(6), Defendants' motion to dismiss on standing grounds properly implicates Fed. R. Civ. P. 12(b)(1). *See, e.g.*, *Kauffman v. Dreyfus Fund, Inc.*, 434 F.2d 727, 733 (3d Cir. 1970) ("[W]e must not confuse requirements necessary to state a cause of action . . . with the prerequisites of standing.").

role in our system of government than the constitutional limitation of federal-court jurisdiction to actual cases or controversies.'" *Id.* at 1547 (quoting *Raines v. Byrd*, 521 U.S. 811, 818 (1997)).

"Standing to sue is a doctrine rooted in the traditional understanding of a case or controversy. The doctrine developed in our case law to ensure that federal courts do not exceed their authority as it has been traditionally understood." *Id.*

"[T]he 'irreducible constitutional minimum' of standing consists of three elements." *Id.* (citing *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992)).

"The plaintiff must have (1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision." *Id.* (citing *Lujan*, 540 U.S. at 560–61). "The plaintiff, as the party invoking federal jurisdiction, bears the burden of establishing these elements." *Id.* (citing *FW/PBS v. Dallas*, 493 U.S. 215, 231 (1990)). "Where, as here, a case is at the pleading stage, the plaintiff must 'clearly . . . allege facts demonstrating' each element." *Id.* (quoting *Warth v. Seldin*, 422 U.S. 490, 518 (1975)).

"This case primarily concerns injury in fact, the '[f]irst and foremost' of standing's three elements.'" *Id.* (quoting *Steel Co. v. Citizens for Better Env't*, 523 U.S. 83, 103 (1998)). "Injury in fact is a constitutional requirement, and '[i]t is settled that Congress cannot erase Article III's standing requirements by statutorily granting the right to sue to a plaintiff who would not otherwise have standing.'" *Id.* at 1547–48 (quoting *Raines v. Byrd*, 521 U.S. 811, 820 n.3 (1997)).

"To establish injury in fact, a plaintiff must show that he or she suffered 'an invasion of a legally protected interest' that is 'concrete and particularized' and 'actual or imminent, not conjectural or hypothetical.'" *Id.* at 1548 (quoting *Lujan*, 504 U.S. at 560).

III. ANALYSIS

Title 35 U.S.C. § 256 provides:

> Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent, the Director may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate correcting such error. . . .
>
> The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred if it can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Director shall issue a certificate accordingly.

35 U.S.C. § 256 (emphasis added). Section 256 is "interpreted broadly as a 'savings provision' to prevent patent rights from being extinguished simply because the inventors are not correctly listed." *Chou v. Univ. of Chicago*, 254 F.3d 1347, 1358 (Fed. Cir. 2001).

Dr. Fishel argues that "[t]he law at 35 USC § 256 has no standing requirement but gives a right to correction to true inventors, such as Dr. Fishel." (ECF No. 47 at PageID.323.)

Even a "party 'concerned'" who "is clearly within the purview of [§ 256]," however, "must show that []he has suffered an injury-in-fact, that the injury is traceable to the conduct complained of, and that the injury is redressable by a favorable decision." *Chou*, 254 F.3d at 1357; *see Raines*, 521 U.S. at 820 n.3 ("It is settled that Congress cannot erase Article III's standing requirements by statutorily granting the right to sue to a plaintiff who would not otherwise have standing.").

In *Chou*, a university research scientist alleged that her name had been improperly omitted from several patents and foreign applications. *Chou*, 254 F.3d at 1353–54. "Although the terms of her academic appointment obliged her to assign her inventions to the university, Chou sought correction of inventorship under § 256, citing the fact that she, if identified as an inventor, would be entitled (under university policy) to royalties, licensing revenue, and equity in start-up companies." *Larson v. Correct Craft, Inc.*, 569 F.3d 1319, 1326 (Fed. Cir. 2009) (citing *Chou*, 254 F.3d at 1355). Thus, the Court "declined to hold that a plaintiff in an action under § 256 must have an ownership interest at stake in the suit to have standing." *Id.* (citing *Chou*, 254 F.3d at 1358). In other words, "Chou's 'concrete financial interest' in the patents, owing to her relationship with the university, was enough to satisfy the three requirements for standing under Article III." *Id.* (citing *Chou*, 254 F.3d at 1359).

By contrast, in *Larson*, 569 F.3d at 1326, the Federal Circuit held that since title had already been transferred away from plaintiff, the plaintiff's "only path to financial reward under § 256" required him to succeed under state law for rescission of the patent assignments. The crux of the holding was that the plaintiff "ha[d] no financial interest in the patents sufficient for him to have standing to pursues a § 256 claim." *Id.* at 1327. Further, the Court noted that the plaintiff "claim[ed] no reputational *injury*," and thus lacked standing. *Id.* at 1327–28 (emphasis added).

Similarly, here, Plaintiff alleges *no* injury, period. (*See generally* ECF No. 34.) That alone demands dismissal, as "at the pleading stage, the plaintiff *must 'clearly . . . allege facts demonstrating*'" that he "suffered an injury in fact." *Spokeo*, 136 S. Ct. at 1547 (emphasis added).

The Court may (very generously) infer that Dr. Fishel alleged a "particularized" injury merely by virtue of his name being left off of a patent (*see* ECF No. 34 at PageID.193 ("he therefore should have been named as a co-inventor . . . .")); however, Dr. Fishel certainly has not alleged any "concrete" injury from the failure to name him on a patent, as required to establish an "injury in fact." *See Spokeo*, 136 S. Ct. at 1548 ("We have made it clear time and time again that an injury in fact must be both concrete *and* particularized."); *Larson*, 569 F.3d at 1321 ("Larson has no concrete financial interest in the correction of the patents in this case . . . and he claims no purely reputational interest in the patents. Thus, . . . he has no standing to bring a stand-alone action under

§ 256."). Nor could Dr. Fishel, apparently, allege a "*concrete* financial interest" under the University's policies and posture toward these patents. *Larson*, 569 F.3d at 1321 (emphasis added).[5]

The closest Dr. Fishel comes to alleging any "concrete" injury is a vague reference in his *responsive brief* to the motion to dismiss: "Being named as an inventor on a patent is an important publication credit for a scientist, for instance." (ECF No. 47 at PageID.323.) Of course, that example appears nowhere in the pleadings, and moreover, a reputational *interest* would not suffice to allege a reputational *injury*. *See Larson*, 569 F.3d at 1327; *Skukh v. Seagate Tech., LLC*, 803 F.3d 659, 663 (Fed Cir. 2015) (holding that a "concrete and particularized reputational injury can give rise to Article III standing").

In short, Plaintiff has failed to plead that he has or will suffer *any* injury, let alone an "injury in fact" required for constitutional standing. *See Spokeo*, 136 S. C. at 1547–48 (citing *Warth*, 422 U.S. at 518 and *Lujan*, 504 U.S. at 560) ("[A]t the pleading stage, the plaintiff must 'clearly . . . allege facts demonstrating'" that he "suffered an injury in fact," or "'an invasion of a legally protected interest' that is 'concrete and particularized' and 'actual or imminent, not conjectural or hypothetical.'"). Accordingly, this action must be dismissed.

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[5] Michigan State's policy on Patents stands in contrast to *Chou*, 254 F.3d at 1355. Under applicable policy, the discoveries and inventions resulting in the patents belong to the University. (*See* ECF No. 37-1 at PageID.216.) While Michigan State "may" assign title to the inventor after disclosure of an invention, it is not required, and has not done so here. (*See id.*) In the event title is assigned to the inventor, MSU must first "recover all direct expenses incurred for the patenting, protection and licensing of each University Invention from its licensing proceeds before distributing the net proceeds remaining among the inventor(s)." (*Id.*) Moreover, the patents at issue in this suit "are not currently, nor have they ever been, licensed or commercialized," and "[m]ore than $200,000 has been incurred in patent legal expenses that remain unreimbursed. (*See* ECF No. 37-2 at PageID.219.) Even *if* those patents were licensed, which is not required under University policy, and commercialized, more than $200,000 would have to be first repaid. (*See* ECF No. 37-1 at PageID.216.) Further, the University "has determined not to pay fees for the maintenance of" either patent in this suit. (*See id.*) The Court ultimately rests its opinion on the absence of any injury pleaded on the face of the Complaint, but includes this additional, uncontested factual information for additional context.

ORDER

For the reasons contained in the accompanying Opinion, the Court **GRANTS** Defendants' Motion to Dismiss under Fed. R. Civ. P. 12(b)(1). (ECF No. 36.) Because the Court finds that Plaintiff has failed to establish proper constitutional standing, it is not necessary to address any of Defendants' other arguments. Judgment will soon enter in favor of Defendants and against Plaintiff.

IT IS SO ORDERED.

Date: July 19, 2016

/s/ Paul L. Maloney
Paul L. Maloney
United States District Judge